

FISCAL NOTE

PRIVATE COST

I. RULE NUMBER

Rule Number and Name 10 CSR 26-2.019 Applicability
Type of Rulemaking Amendment

II. SUMMARY OF FISCAL IMPACT

Classification by types of the business entities which would likely be affected:	Estimate of the number of entities by class which would likely be affected by the adoption of the proposed rule:	Estimate in the aggregate as to the cost of compliance with the rule by the affected entities:
Owners of emergency generator tanks <ul style="list-style-type: none">• Hospitals• Nursing or Health Care facilities• Communication facilities and structures (e.g. cellular phone companies)• Banks• Food storage facilities• Data storage facilities• Other owners and operators of underground storage tank systems	Fewer than 15 new piping installations each year Anticipate less than 15 tanks each year that will need to be tied down that would not have otherwise been tied down	Combined annual total less than \$375 \$2,000 per tank for a total of \$30,000 annually <hr/> Combined annual rule total less than \$30,375 x 98% privately owned = \$29,767.50 annually

III. Worksheet

See calculations in Section IV below.

IV. Assumptions

The Department is proposing to require installation notifications for piping installations. Currently the regulation requires notification for new tank system installations only. When discussed during stakeholder meetings, most stakeholders thought that this was already required or felt most situations in which piping is currently being replaced are situations in which the Department is already aware of the replacement (piping failures, leaks, other piping issues). The Department already receives ‘courtesy notifications’ on piping replacements. Installation problems are one of the top 2 causes of new leaks in Missouri. As such, oversight of installations is a significant way to prevent environmental contamination. Once the piping is installed, it is buried underground, making finding problems and potential leaks practically impossible. Identifying potential problems at installation is one of the most effective ways to prevent future releases. The cost to notify the Department is minimal: 15 minutes to complete the form and email it to the Department. The information included is readily available. The requirements after the notification remain the same. As such, the cost for each notification for each piping install, of which there are fewer than 15 each year, is less than \$25, with a combined annual total of less than \$375.

Another proposed change is to require new marinas to comply with the Petroleum Equipment Institute’s Recommended Practice 1000-2009, Recommended Practices for the Installation of Marina Fueling Systems. These tanks are in environmentally sensitive areas, where a leak would impact water ecosystems almost immediately. In addition, these systems are uniquely configured, with the tanks typically above the dispensers, which could allow the tank to be siphoned by the dispensers. These configurations can lead to significant leaks in environmentally sensitive areas. The Department has been recommending the use of this guidance document since its publication in 2009. The Missouri Department of Agriculture has been requiring compliance with almost all, if not all of its significant pieces as well. The Department is not aware of any marina UST installations that have not complied with this guidance document in the last four years. As such, we do not believe that compliance with this proposed change has a new cost associated with it, but do believe it will ensure clear requirements and environmental protection in the future.

The Department is also adding an option for post-installation tightness testing. Currently the regulations only provide one option for testing the tank after installation, a tank tightness test. The proposed regulation will add a second option, testing the tank using the automatic tank gauge with the tank 95% full. As this is a new, second option, it does not add a cost, but instead lowers the cost by creating a new, potentially less costly option for compliance.

The final proposed change in this regulation is to require all new tanks be tied down. In the last three years, we have typically seen less than 10% of the tanks that are not tied down at install. With an average of 155 new tanks installed each year, that means that typically 15 tanks are not tied down. These tanks can float, leak product, cause damage

to the site, hinder property sales, cause safety issues, and be a general nuisance. Based on information from installation contractors, the cost of a contractor- manufactured tie-down system is approximately \$2,000. Please note, though, that the costs to address tanks that float are much higher than \$2,000 per tank. They must be removed and leaks addressed. In addition, a tank that has floated can pose a significant safety hazard: it juts out of the ground; they can be difficult to see; they may cause vehicular damage; there are often open holes associated with them.

Of the 386 tanks installed since January 1, 2014, 9 of them (or approximately 2%) were publically/government owned. The remaining 98% were privately owned. For the purposes of this fiscal note, we will use these percentages for the calculations of public and privates shares of the costs to the underground storage tank owners.